



**The Comptroller General  
of the United States**

Washington, D.C. 20548

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## **Decision**

**Matter of:** Stacor Corporation

**File:** B-234059

**Date:** March 27, 1989

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### **DIGEST**

Protest that award to parent company is improper where the parent company submitted the initial proposal and its subsidiary submitted the revised technical proposal and best and final offer (BAFO) is denied where the agency reasonably regarded the two companies as a single entity and the individuals who signed the revised technical proposal and BAFO had the authority to represent and bind the parent company.

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### **DECISION**

Stacor Corporation protests the award of a contract to The Huey Company under request for proposals (RFP) No. DMA800-88-R-0022, issued by the Defense Mapping Agency (DMA) for light tables used in the preparation of maps and charts. The protester contends that award to The Huey Company was improper because Huey's initial proposal was submitted in the name of a company different from the one identified on the revised technical proposal and best and final offer (BAFO).

We deny the protest.

The RFP was issued as a total small business set-aside on May 31, 1988. The Huey Company submitted a timely proposal in its own name, signed by Len Zack, as the division president. The proposal identified Huey G. Shelton, Chief Executive Officer, and Raymond Biliskov, vice president, as individuals authorized to negotiate on Huey's behalf with DMA in connection with the RFP. Four other proposals were received. A technical evaluation team reviewed all five proposals and identified various deficiencies in them. The contracting officer notified the offerors in writing of the deficiencies and requested revised technical proposals. In response, Huey Manufacturing, Inc., submitted a revised one-page technical proposal for The Huey Company. The revised technical proposal was signed by Len Zack, as division

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president and submitted on stationery which read "Huey Manufacturing, Inc., a subsidiary of The Huey Company." The address and one of the phone numbers printed on the Huey Manufacturing, Inc., stationery are the same as the address and phone number of The Huey Company. Huey Manufacturing, Inc., also submitted a product catalogue along with the revised technical proposal. The name of The Huey Company appeared on the title page and throughout the catalogue; the name Huey Manufacturing, Inc., did not appear in the catalogue.

After the revised technical proposals were evaluated, the awardee and the protester were the only offerors determined to be in the competitive range. The contracting officer requested that The Huey Company and the protester submit BAFOs. Huey Manufacturing, Inc., submitted a BAFO for The Huey Company, signed by Raymond Biliskov, as vice president and written on the same stationery as the revised technical proposal.

The solicitation stated that award would be made to the lowest priced technically acceptable offeror. Because Huey's proposal was determined technically acceptable and its price was lower than the protester's price, DMA awarded the contract to The Huey Company.

In essence, the protester argues that the award to The Huey Company is improper since the contracting officer had no basis to assume that Huey Manufacturing, Inc., a separate entity, had any authority to bind The Huey Company to the contractual obligations contained in the revised technical proposal and the BAFO. While we agree with the protester that The Huey Company and Huey Manufacturing, Inc., are two separate entities, we believe that under the circumstances here the contracting agency acted reasonably in awarding the contract to The Huey Company.

The awardee states that other than its incorporation in 1987, Huey Manufacturing, Inc., has never had a separate existence from The Huey Company. In this regard, the awardee explains that Huey Manufacturing, Inc., was incorporated when The Huey Company was contemplating a complete restructuring of the company whereby Huey Manufacturing, Inc., would become a wholly-owned and independently operating subsidiary. However, shortly after Huey Manufacturing's incorporation, these plans were abandoned and to this date Huey Manufacturing, Inc., is treated as a division of The Huey Company.

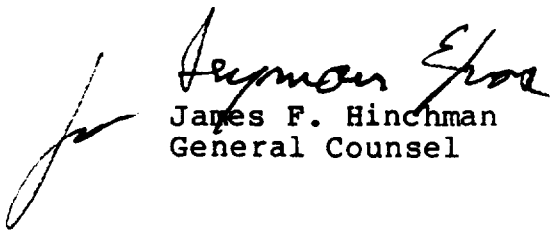
In our view, although legally two separate entities exist, the contracting agency reasonably assumed The Huey Company

and Huey Manufacturing, Inc., were acting as a single entity for purposes of this procurement. The record shows that the two corporations share the same address, telephone number, division president, and vice president, and work is performed at the same location. Another indication that the two corporations were acting as a single entity is that the catalogue submitted by Huey Manufacturing, Inc., as part of the revised technical proposal contained only the name of The Huey Company and did not include any reference to Huey Manufacturing, Inc.

Further, the individuals who signed the revised technical proposal and the BAFO had the authority to bind The Huey Company to the obligations set forth in these submissions. The revised technical proposal was signed by Len Zack, who is the Division President of both companies. Because Mr. Zack signed the initial proposal submitted by The Huey Company, he had the authority to represent and bind The Huey Company during the course of this procurement. The BAFO was signed by Raymond Biliskov, who is the vice president of both companies and was identified in the initial proposal as an authorized negotiator with authority to represent and bind The Huey Company.

In view of the relationship between the two companies, and the fact that the individuals who signed the revised technical proposal and BAFO had the authority to represent and bind The Huey Company, we find that it was reasonable for the contracting officer to regard the two corporations as a single entity for purposes of this procurement. As a result, we see no basis to object to the award to The Huey Company.

The protest is denied.



James F. Hinchman  
General Counsel